

**THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,) Case No. 01-1139 (JKF)
)
Debtors.) (Jointly Administered)

Re: Docket Nos. 26154, 26155 & 26289

**STATEMENT OF ISSUES ON APPEAL OF
GOVERNMENT EMPLOYEES INSURANCE COMPANY AND REPUBLIC
INSURANCE COMPANY n/k/a STARR INDEMNITY & LIABILITY COMPANY¹**

Appellants, Government Employees Insurance Company (“GEICO”) and Republic Insurance Company n/k/a Starr Indemnity & Liability Company (“Republic”), through their counsel, Drinker Biddle & Reath LLP, and in accordance with Fed. R. Bankr. P. 8006, respectfully submit this statement of issues to be presented in connection with their appeal from the following orders:

1. Memorandum Opinion Regarding Objections To Confirmation Of First Amended Joint Plan of Reorganization And Recommended Supplemental Findings Of Fact And Conclusions of Law, entered January 31, 2011 [Docket Number 26154];
2. Recommended Findings Of Fact, Conclusions of Law And Order Regarding Confirmation Of First Amended Joint Plan Of Reorganization As Modified Through December 23, 2010, entered January 31, 2011 [Docket Number 26155]; and
3. Order Clarifying Memorandum Opinion and Order Confirming Joint Plan as Amended Through December 23, 2010, entered February 15, 2011 [Docket Number 26289].

¹ Pursuant to the March 10, 2011 Order issued by The Honorable Ronald L. Buckwalter, Appellants and Appellees are filing a Joint Designation of the Record on Appeal.

STATEMENT OF ISSUES

1. Whether the Bankruptcy Court erred in ruling that certain liability insurance policies issued by GEICO and Republic to W.R. Grace & Co., or alternatively interests under or rights to said policies, could be assigned to, or vested in, the Asbestos PI Trust, absent the insurers' consent and over their plan objection, notwithstanding the anti-assignment provisions in said policies.

Dated: April 1, 2011

DRINKER BIDDLE & REATH LLP

/s/ David P. Primack

Warren T. Pratt (DE 4334)
David P. Primack (DE 4449)
1100 N. Market Street, Suite 1000
Wilmington, DE 19801-1254
Telephone: (302) 467-4200
Facsimile: (302) 467-4201

- and -

Michael F. Brown (*pro hac vice*)
One Logan Square, Suite 2000
Philadelphia, PA 19103-6996
Telephone: (215) 988-2700
Facsimile: (215) 988-2757

*Counsel for Government Employees
Insurance Company and Republic
Insurance Company n/k/a Starr
Indemnity & Liability Company*